



**TO: Chairman Pringle and Authority Members**

**FROM: Mehdi Morshed, Executive Director  
Carrie Pourvahidi, Chief Deputy Director**

**Date: October 30, 2009**

**RE: Agenda Item 10 – Program Management Oversight Services**

**Background**

During the process of developing the Program Management Request for Qualification (RFQ), in July 2006, the Board expressed concerns regarding adequacy of oversight for the Program Management work. At that time Authority staff was directed to pursue the procurement of Program Management Oversight (PMO) services to ensure that the team selected as the Program Manager, Parsons Brinckerhoff, was performing its duties, as prescribed and negotiated by the Authority staff, with due diligence and professionalism to achieve the goal of timely delivery of the high-speed train project.

On January 29, 2007 the Board approved the release of a Request for Proposal (RFP) for PMO services. Authority staff fulfilled the procurement process as mandated by the California Public Contract Code and prescribed in the State Contracting Manual. At the June 27, 2007 Authority meeting the Board approved the staff recommended selection of Carter Burgess for the PMO services. After a lengthy contract approval process the agreement with Carter Burgess was fully executed in September 2007, where upon Carter Burgess began the review of the Program Management teams (Parsons Brinckerhoff) scope, schedule and budget. In December 2008, after multiple discussions with the PMO team, it was determined the PMO team was not the right group to carry out the task of the PMO work and their contract was terminated.

In April 2009 Authority staff re-issued the RFP for PMO services. Following state contracting procedures staff reviewed and interviewed qualified firms, which resulted in the recommendation and approval of Lim & Nacimento Engineering (LAN) at the June 4, 2009 Authority meeting. Authority staff was in the process of finalizing and executing the contract with LAN when we were informed that the firm, LAN, had been acquired by AECOM (AECOM, who is the prime contractor on two regional sections - Sacramento – Fresno and the Altamont Corridor and serve as subcontractors on a number of other regional sections). Due to the relationship between the PM (Parsons Brinckerhoff) and the regional teams (AECOM, etc.) it was determined that a conflict of interest existed and LAN resigned from the PMO contract.

Authority staff re-evaluated the needs for PMO services and determined that due to the heavy emphasis on design, engineering and environmental review needed for this contract, the proper procurement method for

this work was a Request for Qualifications (RFQ) process. The RFQ selection process is used for the procurement of private architectural, landscape architectural, engineering, environmental, land surveying, or construction management firms. The RFQ selection process focuses the evaluation on the demonstrated competence and the professional qualifications necessary for the performance of the services required at a fair and reasonable price.

### **Scope of Work & Contract Terms**

The Scope of Work will comprise of specific tasks agreed upon annually by the PMO and the Authority. In general, the PMO will provide high level services necessary for the performance review of the Program Manager (Parsons Brinckerhoff). The PMO will furnish to the Authority such professional and other services relating to the reviewing of PMs products; reviewing compliance with agreed upon budget and schedule objectives, and generally assessing the appropriateness of methods and procedures employed to progress the project. The PMO must also have access to technical resources for the review of civil and systems deliverables to establish conformance with project goals. The PMO will act as an extension of Authority staff to provide the performance evaluation and review function for the services and products provided by the PM. The PMO's scope includes but is not limited to, the monitoring of the project to determine if the project is on schedule, within budget, proceeding in conformance with approved work plans, staffing plans, and other agreements and is being implemented efficiently and effectively, additionally the PMO is encouraged to provide other ideas, suggestions and recommendations that add value to the overall delivery of the California high-speed train system.

The term of the contract will begin as early as November 16, 2009 and concludes June 30, 2013, which coincides with the contract term of the PM. The overall contract value is not to exceed \$8,000,000.00. The PMO is required to prepare annual work programs and budgets to the Authority in April of each year for review and negotiation with Authority staff.

### **Discussion**

Authority staff issued a RFQ (Attachment 1) for PMO services on September 21, 2009. The deadline for submittal of Statement of Qualifications (SOQ's) was October 13, 2009. The Authority received proposals from the following nine firms:

- Anil Verma Associates, Inc.
- Booz/Allen/Hamilton
- Hill International
- L. Pacific Group, Inc
- LS Gallegos
- PGH Wong
- TSG One Stop

- TY-Lin International
- Worley Parsons

Based on the review of all the submitted written SOQs, by an evaluation committee consisting of Carrie Pourvahidi, Dan Leavitt, Carrie Bowen, Kent Riffey, Bob Doty (Caltrain), and Lam Nguyen (Caltrans), the following firms were invited to present their qualifications and proposals in oral interviews on October 28, 2009 in Sacramento:

- Booz Allen Hamilton
- LS Gallegos
- Hill International
- PGH Wong
- TYLIN International

At the conclusion of the oral interviews the firms were ranked according to the evaluation criterion provided as part of the RFQ. Based on the cumulative score the ranking of the firms are as follows:

Rank 1: TY Lin International  
 Rank 2: Hill International  
 Rank 3: PGH Wong  
 Rank 4: Booz/Allen/Hamilton  
 Rank 5: LS Gallegos

Pursuant to Authority policy (Attached), negotiations with the top ranked firm, TY Lin International, will be scheduled as soon as possible. The Executive Director will negotiate with the top ranked firm and will attempt to reach a satisfactory contract with fair and reasonable compensation. If the Executive Director is unable to do so, then negotiations will be terminated and the Executive Director will begin negotiations with the next highest ranked firm. The firm with which the Executive Director is able to reach a satisfactory contract is expected to make a brief presentation and will be available for questions at the December Board meeting.

### **Recommendation**

The staff recommends that the Authority delegate to the Executive Director the authority enter into contract for the Program Management Oversight work with the highest-ranked firm with which he has been able to reach a satisfactory contract with fair and reasonable compensation once negotiations have been successfully completed.



### **Contract Award Procedures for Request for Qualifications (RFQs)**

The following is the board adopted policy for awarding Architectural and Engineering (A&E) contracts utilizing the RFQ procurement process (approved March 2, 2007: Vote 8-0):

1. A Scope of Work is prepared by the staff based on need.
2. A final draft of RFQ is submitted to the Board one week prior to a board meeting.
3. After review and comment, the Board approves the Scope of Work and the RFQ.
4. The RFQ is advertised and the staff receives and evaluates the Statements of Qualifications (SOQs), including those SOQs on file with the Authority.
5. An evaluation committee is formed of at least five individuals with a minimum of two persons who shall be state, regional or local public employees familiar with transportation issues.
6. The evaluation committee reviews and scores the submitted SOQs based on published criterion and selects at least three (3) firms to participate in oral discussions of their qualifications and their approach to completing the work. At the conclusion of the oral discussions the evaluation committee will recommend to the Executive Director a ranking of firms "1", "2" and "3".
7. The Executive Director enters into negotiations beginning with the firm ranked "1". If negotiations are not successful, the Executive Director will enter into negotiations with the next highest ranked firm. After completion of successful negotiations, the Executive Director submits his/her recommendation to the board.
8. The board receives the recommendation and accepts or rejects the recommendation.
9. If the board rejects the recommendation a new RFQ is issued.
10. Upon approval of the Executive Director's recommendation by the Board, the Executive Director is authorized to enter into contract with the selected firm. Final contract terms are prepared with assistance by legal counsel.
11. Once all the terms and conditions are accepted by the contractor and reviewed by legal counsel and the Executive Director, the Executive Director will execute the contract on behalf of the Board.
12. The Executive Director may execute any contract amendment provided that it is consistent with the Scope of Work and budget and promptly transmits written notice to all board members.